GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1011
ANSWERED ON:27.02.2001
SHORTAGE OF UREA
CHANDRAKANT BHAURAO KHAIRE

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government have been reported about serious shortfall of urea in the country by 2003 in case the production is not increased;

(b) if so, the details in this regard;

(c) the steps taken by the Government in this direction;

(d) whether the steps include the setting up of new Fertilizer plants to increase the production of urea; and

(e) if so, the details in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS ANDFERTILIZERS (SHRI S. B. MOOKHERJEE)

(a) to (c) : Government is committed to ensure adequate availability of urea, the only controlled fertilizer, throughout the country. Through a steady build up of domestic capacity over the years, the country has achieved near self-sufficiency in the production of urea. Any likely gap between the demand and the indigenous availability of urea is met through imports.

(d) & (e): As per the industrial policy resolution dated 24th July, 1991, no license is normally required for setting up/expansion of fertilizer plants. Entrepreneurs are free to set up fertilizer projects anywhere in the country subject to environmental clearance. However, Public Sector Undertakings/Co-operative Societies under the administrativecontrol of the Department of Fertilizers have to obtain approval of the Government before undertaking such capital expenditure beyond their delegated powers. The details of major urea plant revamp/expansion projects in the country approved by the Government, to increase urea production and which are under implementation at present or have been completed during the year, are given in Annexure-I. The details of four proposed public/co-operative sector urea projects in India, submitted for investment approval of the Government under the prescribed procedure are given in Annexure-II. These proposals were approved `in principle` by the Government in April 1999 subject to investment appraisal by the Public Investment Board (PIB).Investment appraisal of these projects was undertaken by the PIB in July 1999. A proposal for taking a final investment decision on the projects was considered and deferred by the Government in June 2000. This proposalwas formulated taking into account the observations of the PIB regarding the viability ofthe projects, desirability of encouraging use of Liquefied Natural Gas (LNG) as feedstockto reduce the incidence of subsidy and the need to stagger the implementation of the proposed projects due to limited demand supply gap forecasts.

Annexure-I referred to in reply to parts (d) & (e) of Lok Sabha Unstarred Question No.1011 for answer on 27.2.2001
Annexure-I
Details of major urea projects under implementation/completed during the year in the country

Sl.No.	Name of the project, location and company/cooperative	Estimated capital cost (Rs.crore)	Addl. Production Capacity (in lakh MTPA)	Zero date of Envisaged commissioning	Scheduled date
1	Revamp of Namrup Plants of Hindustan Fertilizer Corporation Ltd. (HFC), Namrup, Assam	350	Urea 3.8	2.11.98	1.5.2001
2	National Fertilizers Ltd. (NFL) (urea plant expansion project), Nangal, Punjab	135.13	Urea 1.48	11.5.99	Commissioned on 1.2.2001

Annexure-II referred to in reply to parts (d) & (e) of Lok Sabha Unstarred Question No.1011 for answer on 27.2.2001

Annexure-II

Project proposals posed to the Government by public/cooperative units for investment approval

S.No.	Name of the PSU/ Cooperative	Proposed location	Estimated capital cost (Rs.Cr)	Production envisaged Product Capcity (lk MTPA)	Completion schedule
1	Krishak Bharati Cooperative Ltd.(KRIBHCO) (Third stream ammonia-urea expansion proj)	Hazira, Gujarat	1318	Urea 7.68	36 months from the zero date+
2	KRIBHCO (New ammonia-urea plant at the existing site of FCI	Gorakhpur UP	1536	Urea 7.68	36 months from the zerodate+
3.	Indian Farmers Fertiliser Cooperative Ltd. (IFFCO) (Grassroots)	Nellore Andhra Pradesh	1736	Urea 7.68	39 months from the zero date+
4	Rashtriya Thal, Chemicals and Fertilizers (RCF) (ammonia-urea expansion project)	Maharashtra	1332	Urea 7.68	36 months from the zerodate+

+ Zero date is the date of approval of the proposal by the Government.